Stress Management: A Key to Employee Retention

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ABSTRACT

Employees today are different. They are not the ones who don't have good opportunities in hand. As soon as they feel dissatisfied with the current employer or the job, they switch over to the next job. It is the responsibility of the employer to retain their best employees. If they don't, they would be left with no good employees. A good employer should know how to attract and retain its employees. Workers rank stress as a top reason they would leave their company, yet only 50% of employers offer stress management programs to employees primarily because they are perceived to have low impact on employee attraction and retention. Stressful work environments tend to be high turnover environments. It's not just about treating the symptoms of stress with massages and yoga classes, but actually delving into the company's work processes and culture to figure out potential causes of pressure such as lack of supervisor and co-worker support, inadequate feedback, workload, expectations not met, mismatch between the person and the role, mismatch between person and the culture of the firm, insufficient opportunities for growth and advancement, insufficient recognition, dissatisfaction with pay, lack of work life balance, loss of confidence in the firm, particularly leadership. A stressful workplace is rarely a productive one. So the employers must develop retention strategies or take essential stress management key to retain existing employees in the workforce.

Keywords- stress; employee attraction; pressure; turnover; retention strategies

1. INTRODUCTION

In an intensely competitive environment, where HR managers are poaching from each other, organizations can either hold on to their employees tight or lose them to competition. For gone are the days, when employees would stick to an employer for years for want of a better choice. Now opportunities abound. It is a fact that retention of key employees is critical to the long-term health and success of any organization. Employee Retention means -the number of employees that remain with a business over a particular period of time. The performance of employees is often linked directly to quality work, customer satisfaction, and increased product sales and even to the image of a company. Whereas the same is often indirectly linked to satisfied colleagues and reporting staff, effective succession planning and deeply embedded organizational knowledge and learning.

Some literature identifies numerous factors as determinants of employee turnover. One such factor is occupational stress that has been linked to turnover in a wide variety of environments. Stress drives employees into the arms of alternative employers. They simply want to get away from the workplace, from the people involved, from the firm. Some join rival employers, some give up work altogether and some opt for a career change. It is the responsibility of the employer to retain their best employees. If they don't, they would be left with no good employees. Some employees expect the organizations to carry out a suitable and sufficient risk assessment for stress and it is the duty of employers to take action to tackle any problems identified by that risk assessment.

2. WORK STRESS

The U.S Department of Health has defined Job Stress as: "The harmful physical and emotional responses that occur when the requirements of a job do not match the

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capabilities, resources or needs of the workers. Stress is due to maladaptive personal lifestyles of a worker and poor person-environment fits. Stress is an overloading or underloading that can lead to poor health and even injury. It includes worker characteristics and working conditions.

2.1   Stress Causes

Stress is caused by various factors. Causes of stress - known as stressors - are in two categories:

a.   Internal Stressors: Physical ailments such as infection or psychological problems such as worrying about something.

b.   External Stressors: Physical conditions such as heat or cold, stressful psychological environments such as working conditions and abusive relationships, eg., bullying.

Stressors are also described as either short-term or long-term:

i)   Short-term 'Acute' Stress is the reaction to immediate threat, also known as the fight or flight response. This is when the primitive part of the brain and certain chemicals within the brain cause a reaction to potentially harmful stressors or warnings such as noise, over-crowding, danger, bullying or harassment.

ii)   Long-term 'Chronic' Stressors are those pressures which are ongoing and continuous, when the urge to fight has been suppressed. Examples of chronic stressors include: ongoing pressurized work, ongoing relationship problems, isolation, and persistent financial worries.

The working environment can generate both acute and chronic stressors, but is more likely to be a source of chronic stressors.

2.1.A   Causes of Stress at Work
- continuous unreasonable performance demands
- harassment by anyone
- lack of effective communication and conflict resolution
- lack of job security
- long working hours
- excessive time away from home and family
- office politics and conflict among staff
- a feeling that one's reward - reward is not commensurate with one's responsibility
- feeling powerless and uninvolved in determining one's own responsibilities
- working hours, responsibilities and pressures disrupting life-balance (diet, exercise, sleep and rest, play, family-time, etc)

2.1.B   Stress Effects on Health and Performance

Stress is now known to contribute to heart disease; it causes hypertension and high blood pressure, and impairs the immune system. Stress is also linked to strokes, IBS (irritable bowel syndrome), ulcers, diabetes, muscle and joint pain, miscarriage during pregnancy, allergies, alopecia and even premature tooth loss.

Various US studies have demonstrated that removing stress improves specific aspects of health: stress management was shown to be capable of reducing the risk of heart attack by up to 75% in people with heart disease; stress management techniques, along with methods for coping with anger, contributed to a reduction of high blood pressure, and; for chronic tension headache sufferers it was found that stress management techniques increased the effectiveness of prescribed drugs, and after six months actually equaled the effectiveness of anti-depressants. The clear implication for these ailments is that stress makes them worse.

Stress significantly reduces brain functions such as memory, concentration, and learning. Certain tests have shown up to 50% loss of performance in cognitive tests performed by stress sufferers. Some health effects caused by stress are reversible and the body and mind reverts to normal when the stress is relieved.

Stress is a good thing for some persons, that it promotes excitement and positive feelings. It promotes hard work in a controlled and manageable way towards an achievable and realistic aim. Stress is bad for people and organizations, it's a threat and a health risk, and it needs to be recognized and dealt with.

3. WORK STRESS AND EMPLOYEE ATTRITION

The growth of attrition rate has been a major concern for the last couple of decades. The words 'attrition' and 'retention' are profoundly significant in the context of corporate and professional institutions. Attrition is the separation of employees from an organization, due to resignation, retirement etc. It may be defined as the lose of workforce due to unavoidable circumstances. It is growing everyday and creating havoc.

A high attrition reflects poorly on an organization's ability to hold on to its people. Integra (2000) survey and the NIOSH report say that 40% of job turnover is due to stress. Attrition does not only reflect the hiring policies of an organization, but also induction/ retention strategies, training methodologies, work culture and many other factors.

Attrition: Number of employees who left in the year / average employees in the year x 100. Thus, if the company had 1,000 employees in April 2004, 2,000 in March 2005, and 300 quit in the year, then the average employee strength is 1,500 and attrition is 100 x (300/1500) = 20 percent. A graded system can probably depict the true picture.

Fresher attrition: the number of freshers who left within one year. It tells you how many are using the company as a springboard. ·

Infant mortality: percentage of people who left within one year. This indicates the ease with which people adapt to the company. ·

Critical resource attrition: key men exit.

Low performance attrition: those who left due to poor performance.

3. A. The Challenge Today

Acquiring or recruiting is a big challenge but motivating and retaining potential employees is equally vital function for HR managers. Selecting and retaining top-notch staff is a key for business success and effectiveness. It is very frustrating for an organization to go through the entire process of hiring and training, only to find employees leaving after two months or sometimes even quitting after the training period is over.

On the one hand, with increasing work opportunities, organizations which provide challenging and competitive work environments are seeking talent. On the other hand, retaining these key employees has become a vital task for the long-term success of any organization. Employee turnover is increasing day by day, that means lost productivity, lost expertise, lower quality and lost business opportunities, higher recruitment cost for the employer.

Employees stay or leave their jobs and organizations for various different reasons. Those terminated leave the organizations because management wants but those who leave organizations voluntarily are the matter of great concern. One survey done by McKinsey & Company, a large international consulting firm, emphasized the importance of retention by concluding that employers face "a war for talent." The McKinsey studies done several years apart found that those most critical factors affecting the attraction and retention of managers and executives can be classified into three areas:

Great Company
- Value and Culture (58%)
- Well managed (50%)
- Company has exciting challenges (38%)

Great Job
- Freedom and autonomy (56%)
- Job has exciting challenges (51%)

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- Career advancement and growth (39%)

Compensation and Lifestyle

- Differentiated pay package (29%)
- High total compensation (23%)
- Geographic location (19%)
- Respect for lifestyle (12%)

3. B. Main Reasons for Employee Attrition

Being aware of the main reasons for employee attrition is a good starting point for building the retention strategy. Here are the common factors:

3. B.1 Expectations not met

Expectations play a large part in determining whether an employee is satisfied or dissatisfied with the current state of affairs. On joining the firm the individual will have a range of expectations covering areas such as the style of management, the working hours, holidays, pay, and bonuses and so on. It is not unusual for employees to leave within the first six months when they discover that things aren't quite as they imagined they would be. Even after this initial period employees will often decide they have been unfairly treated because they have not got the promotion they expected by now, or their salary hasn't risen as fast as they thought it would.

3. B.2 Mismatch between the person and the role

Employees, who find themselves in roles that do not suit their individual strengths, tend not to stay around that long. A role that exposes their weaknesses, and as a result they do not enjoy.

3. B.3 Mismatch between person and the culture of the firm

There is no single ideal culture and not everyone is likely to be suited to culture of the firm. Some workplaces are caring, emotional, long discussions, shared views. It is an environment in which they can function

to the best of their abilities. Some workplaces are high pressured, fast paced, dynamic. Employees don't settle, they under-perform, they miss the feel of previous employers where they were able to contribute more and they simply leave.

3. B.4 Insufficient opportunities for growth and advancement

Nowadays most of the employees want to make progress and they want to make that next step up the career ladder. They recognize the importance of building new skills, refining current ones, getting new experiences .They think about where they would like to be in 5 years time, in 10 years time. If they can find a more preferable route and if the opportunities aren't available with their current employer, then they will move on to an alternative employer that will take them someway towards their ultimate destination.

3. B.5 Insufficient recognition or appreciation

Some employees stay far longer because they place enormous value in the support they receive, the words of wisdom, and the recognition. The employees who don't receive adequate recognition for their contribution, they feel dissatisfied with the current employer or the job.

3. B.6 Problems with direct manager

Poor relationships between employees and their managers are one of the most common reasons for employee turnover. Employees leave jobs because they know the pattern is unlikely to change and the frustration will grow.

3. B.7 Interpersonal conflicts and power struggles

Many headaches are caused due to conflicts among co-workers. Unmanaged conflict leads to increased stress. Training

and coaching in effective conflict resolution and problem solving can help to diminish destructive conflicts.

3. B.8 Dissatisfaction with pay

Dissatisfaction with financial rewards like not receiving a fair salary, a fair pay rise, a fair bonus is complex. Much of the dissatisfaction is due to comparisons. If it isn't fair and equitable, employees become dissatisfied and in time many of them leave.

3. B.9 Lack of work life balance

Employees have responsibilities to their employer, to their families, to their friends. There are times when the demands of work require extra hours, staying late to get things finished, working during weekends to meet deadlines. For some employees these demands of work are not compatible with the needs of their family, the needs that exist beyond the workplace.

3. B.10 Workload

Workload refers to the amount of work that is allocated to an employee to do. There is a significant relationship between workload and stress and stress and turnover. The stress will play a mediation role between workload and turnover intentions.

4.   EMPLOYEE RETENTION

Employee Retention involves taking measures to encourage employees to remain in the organization for the maximum period of time. Retention is a big and a constant challenge for every organization today whether to talk of any corporate sector or any educational institution. It is a Herculean task for most organizations in the modern era of globalization and competitive business. HR professionals all over the world are breaking their heads to formulate Retention Strategies but nothing is working-out in their favour.

The need to increase recruiting and retention effectiveness is a flaming issue worldwide. The business benefits of these approaches are reaching into the developing world—an encouraging sign that the learning's of human capital management can help raise global workforce standards. Some employers have placed such a high priority on employee retention that they have designated an individual as the retention officer for the firm.

Hiring knowledgeable people for the job is essential for an employer. But retention is even more important than hiring. There is no dearth of opportunities for a talented person. There are many organizations which are looking for such employees. If a person is not satisfied by the job he's doing, he may switch over to some other more suitable job. In today's environment it becomes very important for organizations to retain their employees.

4.1   Employee retention and job stress

Retaining talent has never been so important in the Indian scenario; however, things have changed in recent years. High levels of retention are seen to reflect good HR practices and employee relations. Organizations that want to keep good employees must consider not only the benefits that enhance employee commitment, but also the hassles that subtract from their job satisfaction. Employees calculate whether it's "worth it" by weighing the benefits against the "costs" of staying in the job. Stressful work environments tend to be high turnover environments.

It's not just about treating the symptoms of stress, but actually delving into the company's work processes and culture to figure out potential causes of pressure. There are many forces in the work environment that are "downers" e.g., overly critical supervisors, feelings of powerlessness, lack of input, lack of proper

information, tight competition rather than teamwork, and unfair organizational reward systems. Employees today are different. As soon as they feel dissatisfied with the current employer or the job, they switch over to the next job.

A good employer should know how to attract and retain its employees. Employers must develop strategies to retain existing employees in the workforce or to attract them back after a period of absence. While not surprising, paid vacation and medical plans topped the list of programs rated as having a high impact on attraction and retention. Defined benefit plans, flex-time and telecommuting also were rated as high-impact programs.

5.   STRESS MANAGEMENT TO IMPROVE EMPLOYEE RETENTION

The employees expect organizations to carry out a suitable and sufficient risk assessment for stress and to take action to tackle any problems identified by that risk assessment. It includes reduced absenteeism, enhanced productivity, minimized risk of employee litigation, increased employee retention, and a boost to staff morale.

5.1   Improve communication skills: An employee's work must be communicated to him clearly and thoroughly. The details of the job, its importance, the way it should be done, maximum time that can be allotted to complete it etc., must be made clear.

5.2   Build relationships and supportive work culture: Employers should listen and solve employee complaints and problems. Fairness and impartial treatment by seniors is important. They should create opportunities for people to connect with each other for support and to improve communication in work teams. A supportive work culture helps grow employee

professionally and boosts employee satisfaction. To enhance good professional relationships at work, supervisor should support his subordinates in a way so that each one of them is a success.

5.3   Provide flexible work environment: Make work and work place cheerful and fun-filled. Flexible work environment includes efficient managers, supportive co-workers, challenging work, involvement in decision-making, clarity of work and responsibilities, and recognition.

5.4   Recognition and reward: Feeling valued by their employer is the key to high employee motivation and morale. Recognize their strengths and help them to improve those they lack. Employees must feel rewarded, recognized and appreciated. Giving periodical raise in salary or position will help to retain staff.

5.5   Offer excellent career growth prospects: Encourage and groom employees to take up higher positions/ openings. Growth and development are the integral part of every individual's career.

5.6   Encourage work-life balance: Work-life balance initiatives are important. Innovative and practical employee policies pertaining to flexible working hours and schemes, granting compassionate and urgency leave, providing healthcare for self, family and dependants etc., are important for most people. Work-life balance policies would have a positive impact on retaining skilled employees, as well as on attracting high-caliber recruits.

5.7   Implement competency models: Implement competency models, which are well integrated with HR processes like selection & recruitments, training, performance appraisal and potential appraisal.

5.8   Better compensation : Time to time

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increase in the salaries and wages of employees should be done. And this increase should be based on the employee's performance and his contribution to the organization. Money is important but it is not the only reason people stay with an organization.

5.9 Organize training, counseling and development programmes for employees: The emphasis is to create the desire to learn, enjoy and be passionate about the work they do. Employees should be trained and given chance to improve and enhance their skills. Organization should not limit the resources on which organization's success depends. These trainings can be given to improve many skills like: Communications skills, Technical skills, In-house processes and procedures improvement related skills, Customer satisfaction related skills ,Special project related skills .Need for such trainings can be recognized from individual performance reviews, individual meetings, employee satisfaction surveys and by being in constant touch with the employees.

5.10 Treat your employees like you treat your most valuable clients: It is cheaper to keep your good employees than it is to hire and train new ones. Your top 20-25% should be courted as you would court and then service your top customers.

6. CONCLUSION

It is very well documented that stress is a leading cause of employee turnover. Intelligent employers always realize the importance of retaining the best talent. Employee retention matters, as organizational issues such as training time and investment, costly candidate search etc., are involved. Hence failing to retain a key employee is a costly proposition for any organization. Implementing flexible employee work schedules to foster a healthy work/life balance can be a nerve-wracking and seemingly unattainable goal to achieve. Through experimentation and a little trial and error, many companies have discovered how to retain employees by allowing flexible schedules. HR must take steps to be aware of employee problems and try to solve them creatively.

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